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S E C R E T SECTION 01 OF 05 RIYADH 001178

SIPDIS

NEA/ARP, NEA/IR, SCA; NSC FOR JOHN O. BRENNAN

E.O. 12958: DECL: 09/09/2029

TAGS: AF IR PGOV PK PREL PSOE PTER SA

SUBJECT: CHARGE'S SEPT 5 TOUR D'HORIZON WITH SAUDI INTERIOR
MINISTER PRINCE NAYIF

REF: A. JEDDAH 333
1B. RIYADH 1156

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Classified By: CDA Ambassador Richard W. Erdman
for reasons 1.4 (b) and (d)

SUMMARY AND COMMENT

11. (S) Charge, accompanied by John Brennan, Assistant to the President for Homeland Security and Counterterrorism, and GRPO Chief, met for two hours September 5 with Saudi Second Deputy Prime Minister and Minister of Interior Prince Nayif bin Abdulaziz. For a senior official with a reputation for being sometimes prickly and difficult with U.S. officials, the meeting with Nayif was notable for the importance he said he attached to U.S.-Saudi friendship and cooperation and for his especially warm comments to the Charge, both of which may well be a part of a deliberate effort to refurbish and soften his image as the possibilities of his assuming the Crown Prince-ship loom. Nayif assessed the August 27 assassination attempt against Assistant Interior Minister Prince Mohammed bin Nayif as a continuation of past terrorist tactics, not part of a new strategy of targeted assassinations. On Iran, Nayif said the Kingdom wanted good relations with Iran but saw its behavior as a continuing threat to the region; was not certain whether the apparent stability in Iran was real or the calm before the storm; alleged Iranian meddling in Yemen without offering hard evidence; and asked the U.S. to keep the Kingdom informed of new developments, given the threat Iran posed in the region.

12. (C) On other issues, Nayif stressed the importance of U.S.-Saudi friendship and cooperation; confirmed the Kingdom's policy of helping stabilize world energy markets; said Saudi Arabia was actively trying to help Pakistan both politically and economically; readily agreed -- in response to Charge's underscoring that terrorist financing from the Gulf remained a serious concern in Washington -- that money indeed continued to move from the Gulf; and pledged continued efforts on this important issue. Asked for his personal vision of the direction in which the Kingdom should move (in view of his new broader responsibilities as Second Deputy Prime Minister), the socially conservative Nayif emphasized the importance of education to economic transformation but notably made no reference to the need for expanded opportunity for women as part of this transformation. When Charge noted that the Kingdom could not prosper in a future,

knowledge-based world economy without the intellectual talent and contributions of all its citizens (i.e., women too), he took the point but not the bait, saying that in the Saudi people, "it would be necessary to take all things into consideration." END SUMMARY.

¶3. (C) During a two-hour plus meeting September 5 that began late in the evening and ended around 1:30 a.m., Charge thanked Prince Nayif for taking time from his exceptionally busy Ramadan schedule to receive Presidential Assistant Brennan and himself. Charge said he had several issues on which he wished to have an exchange of views, but thought it most appropriate to ask Assistant to the President Brennan to first brief on the purpose of his visit and U.S. perspectives on the security challenges we face. This portion of the meeting will be reported (septel).

ATTACK ON PRINCE MOHAMMED NOT SEEN AS PART
OF NEW STRATEGY OF TARGETED ASSASSINATIONS

¶3. (C) Segueing from Nayif's and Brennan's discussion of the August 27 suicide bombing attempt on Prince Mohammed bin Nayif (Assistant Minister of the Interior), CDA asked if the attack represented a continuation of previous terrorist strategy or, as some have suggested, a new stage with more emphasis on targeted assassinations. Nayif replied the incident was a continuation of existing terrorist methodology. Assassination has always been within the terrorists' capability, SAG has expected this kind of attack in the past, and it anticipates more assassination attempts in the future. In this regard, he noted that early in the year a plot to blow up a plane on which Prince Mohammed was

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to have traveled had been foiled. The August 27 suicide bombing underscored the importance of following security measures (a reference to the Prince's instruction to his security personnel not to search the bomber), being more careful, and being more prepared.

IRAN: A DANGER IN THE REGION

¶4. (S) Asked for his thoughts on recent developments in Iran, Nayif said in terms of Saudi-Iranian relations, they unfortunately had not seen any improvements from the Iranian side. Iran continues to be a danger in the region, in Pakistan, Afghanistan, Iraq, Africa, Asia, and even Europe. The Iranians spent lots of money because they wanted to increase their influence and, spread their Shia sect and Persian ways in the Arabian Peninsula and elsewhere in the region. The problem was not the Shia people -- there were 200,000 Shia in the Kingdom, they were Saudis, and they were free, he claimed not altogether convincingly. In contrast, there were more than 60,000 Sunnis within Iran, and not one of them was working in government. "If one were discovered, he would be killed." he asserted.

WE WANT IMPROVED RELATIONS WITH IRAN, BUT IT
HAS VIOLATED AGREEMENT, MEDDLED IN YEMEN

¶5. (C) Continuing, Nayif said, "We want there to be serious work from the Iranian side to fix the relationship between us." In this regard, Iranian Foreign Minister Mottaki, during his March 15 visit to the Kingdom, had invited the King to visit Iran (Riyadh 427). The King replied he would give Iran one year to prove its good intentions. Only then would he consider a visit to Iran. In the past, he recalled, King Abdullah and Prince Sultan had traveled to Iran and received overwhelming hospitality. But during the past two years, the Saudi-Iran security agreement has been breached by

Iran. The SAG did not seek aggression or conflict, he emphasized, and if U.S. efforts to open a dialogue with Iran produced positive results, "that would be all to the good." But what we were seeing was Iranian ties with terrorists, especially in Yemen. The latter had serious problems and needed support from the U.S. and other friendly countries. Charge agree on the importance of helping Yemen, noting Mr. Brennan would be traveling the next day to Yemen to discuss the situation with President Saleh.

NAYIF: WE DON,T KNOW IF APPARENT STABILITY IN IRAN IS REAL OR CALM BEFORE THE STORM

¶6. (C) Asked his view of the current internal power balance within the Iranian governing structure, Nayif responded that the recent conflict had reached the Supreme Leadership in Iran, but there was now some kind of stability. It was not clear whether this stability would last or if the current period merely was the calm before the storm. Asked for his views, Charge said the situation had stabilized compared to a month ago, but there were "cracks in the regime" that were not there before and that would continue to be potential weak points. The way the regime handled the election and post-election protests had caused it to lose legitimacy among its people. Once lost, legitimacy was hard to regain and so, despite the surface stability, this would remain another source of potential weakness. At the same time, behind the scenes the Iranian Revolutionary Guard Corps seemed to be gaining influence. All this said, there was a broad consensus in Iran on the nuclear power issues, regardless of who was in power. We must not forget that important and serious reality. In that context, the USG was offering to engage with Iran, but we were looking for serious results from such engagement and, as the President has indicated, would not wait forever. Nayif asked, "as friends of the U.S.", that the U.S. keep the SAG updated on any new developments because of the danger Iran posed, and Charge said we would do so.

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NAYIF CONTRASTS IRANIAN TROUBLE-MAKING ABROAD WITH KINGDOM,S RESPONSIBLE, STABILIZING POLICIES ON OIL

¶7. (C) Nayif said that Iran needed to be reasonable and emphasize developments inside the country instead of causing problems outside the region. Charge replied that Iran continued to have serious economic problems internally. If Iran was not forthcoming, the USG was prepared to push hard for consensus on increased sanctions that would increase pressure on the regime. In this regard, the increase in Saudi oil exports to China was helpful because they would reduce Chinese dependence on Iranian oil, possibly making China more receptive to tougher sanctions. Charge noted he had recently mentioned this point to Petroleum Minister Naimi (Riyadh 1068), and has been pleased to see a week or so later press reports indicating that Saudi exports to China had surpassed those of Angola, making it the largest exporter of oil to China. Nayif said that the Kingdom's petroleum strategy was very responsible. Charge praised Saudi Arabia,s important role in seeking to promote both oil production and price stability. We shared a common interest in such stability, maintaining price levels that were high enough to encourage investment in the sector, but not so high as to kill demand. Nayif responded that the SAG would seek anything that would serve the Kingdom's development. Saudi Arabia did not look to create problems, but sought to cooperate with the U.S.

SHARED INTEREST IN PAKISTAN, STEMMING FLOW OF TERRORIST FINANCING FROM GULF REGION TO AF/PAK

¶ 18. (C) Charge observed that Saudi Arabia and the United States shared a common interest in preventing instability and radicalization in Pakistan, and noting the recent visit of Musharraf and the imminent visit of Nawaz Sharif to the Kingdom, said the Kingdom had an especially important role to play there. As the President has made clear, Pakistan was vital to our national interest and we were therefore providing substantial assistance over a five-year period and, encouraging Pakistan's political leadership to work together for the good of the country. Nayif agreed Pakistan was going through a difficult period and needed the help of countries like the United States, which could play an important role in Pakistan's stability. Saudi Arabia itself would not hesitate to help since Saudi Arabia had enjoyed friendly relations with Pakistan since its independence, appreciated the efforts of the Pakistani people, and hoped the country's leadership would find it within itself to work together for stability. SAG sought stability and would not side with any of the parties. Unfortunately, Al Qaeda would not let them be.

TERRORIST FINANCING FROM GULF
REMAINS A SERIOUS CONCERN FOR WASHINGTON

¶ 19. (C) Seizing this opening, Charge agreed that al-Qaeda was a serious problem in the Afghanistan-Pakistan theater. In this regard, Prince Nayif should know that terrorist financing in the Gulf region to the Taliban and al-Qaeda remained a very serious concern in Washington and that we needed to think together how we could strengthen our efforts to stop this flow of money from the Gulf region. Nayif readily agreed that money was still moving from the Gulf to fund terrorist activity, that this was an important issue, and that Saudi Arabia would make a great effort in this field.

NAYIF'S VISION FOR KINGDOM: MUCH TALK ABOUT
EDUCATION AND SCIENCE, BUT NO MENTION OF WOMEN

¶ 10. (C) Alluding to Nayif's elevation to Second Deputy Prime Minister in March, Charge said that we were used to dealing with him as Minister of Interior, but now he had broader responsibilities. Since "where you stand is often a matter of where you sit." Charge observed, he wondered if the Prince's views had changed with the assumption of his new responsibilities. What was his vision for the future, the

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direction the Kingdom should move, in terms of the economy, society, and the Kingdom's external role? Nayif replied that in Arabic there was also a saying, "The more responsibility you show, the more responsibility comes." "My vision was with me before my new assignment," Nayif maintained. Saudis must work together more as a nation in the interests of the Kingdom and its people, developing their scientific and technological capabilities to build the economy and promote progress. The new King Abdulaziz University of Science and Technology (KAUST) was an example of how much the Kingdom wants to advance and modernize and "how much we have already achieved." Nayif recalled celebrating the graduation of six students from high school as governor of Riyadh in the 1950s. Today the Kingdom has 20 universities, hundreds of institutes, and thousands of citizens with Ph.D.s: "We've become a people with a high level of culture. We want to be a strong country internally, respected in the international community, and want to cooperate with the U.S."

NAYIF: EDUCATION ESSENTIAL TO ECONOMIC TRANSFORMATION

¶11. (C) Charge observed that a principal challenge for a Saudi leader, in his view, would have to be to prepare the country for the time when its wealth and economy were not based on what was underground - oil - but on human capital. There were different estimates on how long oil reserves would last, some said 50 years, others said 75 or 100 years. Whatever figure one used, it meant the Kingdom had only three of four generations in which to effect an enormous transition. Nayif agreed this was the challenge the Kingdom faced, recalling that when King Abdulaziz established the Kingdom, he had emphasized two things: security and education. Understanding that it could not just depend on oil, the SAG was building the nation's scientific and technological capabilities and training a future generation that could take responsibility. Young Saudis had won gold and silver medals in international competitions for inventions, and in the future the KSA would develop solar energy.

CDA: YOU NEED INTELLECTUAL TALENT AND CONTRIBUTIONS OF ALL YOUR CITIZENS, IF YOU ARE TO BE COMPETITIVE

¶12. (C) Reacting to any specific mention of women in Nayif's vision for the future, Charge pointedly said that in order to be competitive in the knowledge-based world economy of the last 21st century, no nation could prosper without the intellectual contributions and talent of all its citizens. Alluding to expanded opportunity for women, Charge ventured this was perhaps the real challenge the Kingdom faced as it looked to the future, since it touched on sensitive social issues. Clearly taking the point, the ever cautious and conservative Nayif did not take the bait, commenting only that to assist the Saudi people, it would be necessary to take all things into consideration. Quoting the Quran's advice to "Seek knowledge even unto China," Nayif noted that the country has sent more than 16,000 students for education to the United States, in addition to other countries.

(Comment: An Education Ministry official has just told us the actual figure is over 22,000.) "We would prefer you send your students to the U.S., not China," Charge responded, half-jokingly. Nayif replied that the Kingdom had no problem with that as long as the U.S. assisted Saudi students: "We hope to build trust in this aspect and we expect students in the U.S. to respect U.S. laws." Charge remarked that we now had U.S. students in Saudi Arabia at KAUST, so it was becoming something of a two-way street. Nayif expressed the hope that KAUST would become a world center of knowledge and science.

NAYIF AFFIRMS IMPORTANCE OF U.S.-SAUDI COOPERATION

¶13. (S) In closing, Charge thanked Nayif for having shared his time so generously, noted he would be leaving the Kingdom very shortly, and expressed gratitude for the warm welcome he

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had been given during his brief stay, including and especially by Prince Nayif. It had been a privilege to serve in the Kingdom, Charge continued, and he wanted him (Nayif) to know that whether in the Kingdom or elsewhere, whether in or out of government, he would remain a strong supporter of U.S.-Saudi friendship, cooperation, and strategic partnership. Nayif said the appointment of an ambassador reflected the respect of one country for another and he thanked Washington for sending Charge to serve in the Kingdom (during this interim period). It was "proof" of the importance the President placed on ties between our two countries. "A loyal friend serves both his own country and benefits the host nation," he added, echoing a sentiment often expressed by King Abdullah. "The SAG hoped to continue the open channels and cooperation between the security organizations of our nations. We might have the same enemy

in different places, but we will not allow anyone to hurt relations between Saudi Arabia and the U.S." At the end of the meeting, which concluded at 1:30 a.m., Nayif, who has a reputation for being a bit prickly with Americans, shook Charge,s hand for at least thirty seconds and said: "I really hate to see you go."

¶14. (U) This message was drafted by Amconsul Jeddah.
ERDMAN